

0002



C/007/016 Incoming
cc: Joe

225 N. 5th Street, Suite 900
Grand Junction, CO 81501
(970) 263-5141
Fax (970) 263-5161

#3271

Q

April 23, 2009

Daron Haddock
Coal Program Manager
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Permit Renewal, Mountain Coal Company, LLC, Gordon Creek 2/7/8 Mines,
Permit # C/007/016, Carbon County, Utah

Dear Mr. Haddock:

In accordance with R645-301-230, I am herein applying for renewal of Permit C/007/016 for a period of 5 years. Please find enclosed with this letter 4 copies of the Mountain Coal Company liability insurance for the Gordon Creek mines, the reclamation bond covering this site, and the proposed public notice for renewal. There have been no violations at this mine site during the past 5 years.

The public notice will be published once per week for 4 consecutive weeks, as required. The notice has been first published during the week of April 20, 2009. Proof of publication will be submitted to the Division upon receipt.

A C₁/C₂ Form is also provided. If you need any additional information, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris D. Hansen'.

Chris D. Hansen
Environmental Coordinator
Arch Western Bituminous Group

cc: Dan Guy, Blackhawk
Pete Hess, DOGM
File

RECEIVED

APR 27 2009

DIV. OF OIL, GAS & MINING

Dugout Canyon Mine

*

Skyline Mine

*

Sufco Mine

*

West Elk Mine

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☐ New Permit ☐ Renewal ☒ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: Mountain Coal Company, LLC

Mine: Gordon Creek 2, 7 and 8 Mines

Permit Number: C/007/016

Title: Permit Renewal

Description, Include reason for application and timing required to implement:

Renewal of SMCRA permit for the mine that expires in August 2009

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- ☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ ☐ increase ☐ decrease.
- ☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# _____
- ☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☒ Yes ☐ No 6. Does the application require or include public notice publication?
- ☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # _____
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?
- Explain: _____
- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?
- ☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
- ☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☐ Yes ☒ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☐ Yes ☒ No 19. Does the application require or include certified designs, maps or calculation?
- ☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
- ☐ Yes ☒ No 21. Have reclamation costs for bonding been provided?
- ☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Chris D. Hansen
Print Name

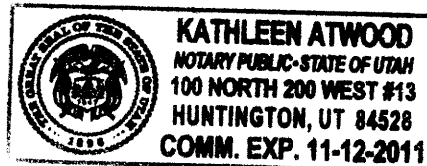
Chris D. Hansen, Environmental Coordinator
Sign Name, Position, Date 4-23-09

Subscribed and sworn to before me this 23rd day of April, 2009

Kathleen Atwood
Notary Public

My commission Expires:

Attest: State of Utah } ss:
County of Carbon



For Office Use Only:

Assigned Tracking
Number:

Received by Oil, Gas & Mining

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APR 27 2009

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Mountain Coal Company, LLC

Mine: Gordon Creek 2, 7 and 8 Mines

Permit Number: C/007/016

Title: Permit Renewal

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

[illegible]

Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

Eight (8) redline/strikeout and Eight (8) clean copies of the text, Eight (8) clean copies of the plates, and one (1) CD of all the information

Received by Oil, Gas & Mining

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APR 27 2009

DIV. OF OIL, GAS & MINING

**PUBLIC NOTICE FOR PERMIT RENEWAL
GORDON CREEK NO. 2/7/8 MINES
MOUNTAIN COAL COMPANY, L.L.C.
SOMERSET, COLORADO 81434**

Mountain Coal Company, L.L.C., P.O. Box 591, Somerset, Colorado 81434, a wholly owned subsidiary of Arch Western Resources, L.L.C., has filed with the Utah Division of Oil, Gas & Mining an application for renewal of its Mining and Reclamation Plan Permit for its Gordon Creek No. 2/7/8 Mines. Gordon Creek No. 2/7/8 Mines are located in Bryner Canyon approximately 20 road miles Northwest of Price, Utah. The permit area is described as follows:

Township 13 South, Range 8 East, SLBM, Utah

Sec. 18: $N\frac{1}{2}SE\frac{1}{4}, N\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}, S\frac{1}{2}NE\frac{1}{4}SW\frac{1}{4}$
 $SE\frac{1}{4}SW\frac{1}{4}, SE\frac{1}{4}SW\frac{1}{4}SW\frac{1}{4}$

The permit area is located on the Jump Creek, Utah, U.S. Geological Survey 7.5 minute quadrangle map.

The Gordon Creek No. 2 Mine had been in operation since 1969, and operated under permit ACT/007/016 since 1984.

The Gordon Creek No. 2/7/8 Mines were closed in November, 1990. Final reclamation of the minesite was completed in 1997. Additional regrading was completed in July, 1999. Phase I Bond Release was approved in October, 2003. Phase II Bond Release was approved in March 2007, and the sediment ponds were removed and reclaimed in October 2007.

This notice is being published to comply with the Surface Mining Control and Reclamation Act of 1977 and State and Federal regulations promulgated pursuant to said act.

A copy of the Mining and Reclamation Plan and the application for renewal is available for inspection at the Utah Division of Oil, Gas & Mining office, 1594 West North Temple, Suite 1210, Salt Lake City, Utah, and at the Utah Division of Oil, Gas & Mining Price Field Office, 319 North Carbonville Road, Suite C, Price, Utah.

Written comments, objections or requests for informal conferences on the application may be submitted to: State of Utah Department of Natural Resources, Division of Oil, Gas & Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801. Comments must be submitted within thirty (30) days from the last publication of this notice.

RECLAMATION BOND

RIDER

To be attached to Bond No. _____ issued by

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

(As Surety) in the amount of Six Hundred Forty One Thousand Four Hundred Forty Three Dollars and 00 Cents*****

***** (\$641,443.00)

Dollars, effective the 17th _____ day of May _____, 2000

ON BEHALF OF MOUNTAIN COAL COMPANY, L.L.C.

IN FAVOR OF State of Utah, Division of Oil, Gas and Mining, and the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement

In consideration of the premium charged for the attached bond, it is mutually understood and agreed by the Principal and the Surety that: BOND AMOUNT IS HEREBY DECREASED FROM THE ABOVE TO:
TWO HUNDRED FIFTY SIX THOUSAND FIVE HUNDRED SEVENTY EIGHT AND NO/100***(\$256,578.00)

All other items, limitations and conditions of said bond except as herein expressly modified shall remain unchanged.

This rider shall be effective as of the 3RD _____ day of MAY _____, 2004

Signed, sealed and dated this the 3RD _____ day of MAY _____, 2004

MOUNTAIN COAL COMPANY, L.L.C.

Principal

BY James E. FlorczakJames E. Florczak
Vice President and Treasurer

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

Surety

Accepted:

BY Joy M. Williams
JOY M. WILLIAMS, Attorney-in-Fact

Bond 22a

BOND NO.

AFFIDAVIT OF QUALIFICATION
SURETY COMPANY

--ooOOoo--

I, Joy M. Williams, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) ATTORNEY-IN-FACT of ST. PAUL FIRE AND MARINE INSURANCE COMPANY; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said **SURETY COMPANY** is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

(Signed)

Joy M. Williams
Surety Company Officer - Position
Joy M. Williams, ATTORNEY-IN-FACT

Subscribed and sworn to before me this 3rd day of May, 2004

Notary Public
Nancy J. Conrad

My Commission Expires:

September 29, ~~18~~ 2004.

~~WITNESS~~ WITNESS:

Deborah Clausen

STATE OF TENNESSEE)
COUNTY OF KNOX) ss:

POWER OF ATTORNEY

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 24203

Certificate No.

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (*herein collectively called the "Companies"*), and that the Companies do hereby make, constitute and appoint

Joseph R. Poplawski, Joy M. Williams, Elizabeth A. Hartzberg and Debra Elaine Clark

Knoxville

Tennessee

of the City of _____, State _____, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and sealed this 3rd day of March, 2004.

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.



[Signature]

PETER W. CARMAN, Vice President

[Signature]

THOMAS E. HUIBREGTSE, Assistant Secretary

State of Maryland
City of Baltimore

On this 3rd day of March, 2004, before me, the undersigned officer, personally appeared Peter W. Carman and Thomas E. Huibregtse, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 1st day of July, 2006.



[Signature]

REBECCA EASLEY-ONOKALA, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. on September 2, 1998, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by persons or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) of Attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman, or the President, or any Vice President, or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and subject to any limitations set forth therein, any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company, and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is validly attached; and

RESOLVED FURTHER, that Attorney(s)-in-Fact shall have the power and authority, and, in any case, subject to the terms and limitations of the Power of Attorney issued them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, Thomas E. Huibregtse, Assistant Secretary of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I hereunto set my hand this 3rd day of May, 2004.



Thomas E. Huibregtse
Thomas E. Huibregtse, Assistant Secretary

To verify the authenticity of this Power of Attorney, call 1-800-421-3880 and ask for the Power of Attorney clerk. Please refer to the Power of Attorney number, the above-named individuals and the details of the bond to which the power is attached.

**WARNING
THIS POWER IS INVALID
WITHOUT THE RED
BORDER**

LIABILITY INSURANCE

PRODUCER
Marsh USA Inc.
701 Market Street, Suite 1100
St. Louis, MO 63101
Attn: archcoal.centrequest@marsh.com

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

001950-state-GL8-08-09

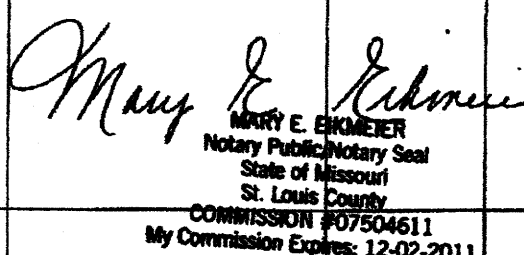
Y

COMPANY
A ACE American Insurance Company

INSURED
Mountain Coal Company, L.L.C.
P.O. Box 581
1 Mile East of Somerset - Hwy 133
Somerset, CO 81434

COMPANY
B
COMPANY
C
COMPANY
D

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNERS & CONTRACTOR'S PROT <input checked="" type="checkbox"/> Includes XCL1	\$500,000 general aggregate per location	07/31/08	07/31/09	GENERAL AGGREGATE \$ 500,000 PRODUCTS - COMPROP AGG \$ 500,000 PERSONAL & ADV INJURY \$ 300,000 EACH OCCURRENCE \$ 300,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: \$ EACH ACCIDENT \$ AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				NO STATUTORY LIMITS OTHER EL EACH ACCIDENT \$ EL DISEASE-POLICY LIMIT \$ EL DISEASE-EACH EMPLOYEE \$
	OTHER				

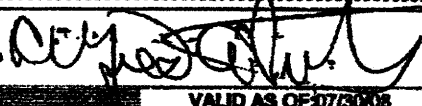
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Permit ACT007/D16, Gordon Creek Mines 2, 7, & 8
Blasting and use of explosives is not excluded under the policy.

Utah Dept. Of Natural Resources
Division of Oil, Gas and Mining
1594 W. North Temple
Suite 1210
Salt Lake City, UT 84114-5801

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDORSE THIS MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.
BY: Alfred A. Peterfeso



VALID AS OF 07/30/08